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Almeida, Alvaro Gil de.

Trade relations between United States and Brazil...

Boston

1913

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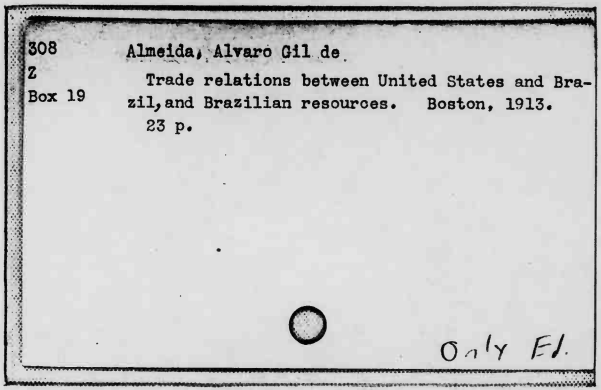

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TRADE RELATIONS BETWEEN UNITED STATES AND BRAZIL

AND

BRAZILIAN RESOURCES

By
A. G. DE ALMEIDA

1913
HOOPER PRINTING COMPANY, BOSTON

Dec. 1915. MS

To the Honorable Members of
the Boston Chamber of Commerce:

The trade with South America has become one of the most important questions of the foreign trade relations in the United States. Knowing that encouragement of these relations has begun in this state, and seeing the interest with which my country is carrying on extensive commerce with the people of the United States, I feel that I may be in a position to co-operate with and assist the members of the Boston Chamber of Commerce in their efforts to inform themselves in regard to the opportunities for trade with Brazil.

It is a lamentable fact that one who wishes more comprehensive information, will not find any formal element in my work on account of the difficulty of appreciative labor. I venture to write this report through my own natural interest as a native of Brazil with the same patriotic object as the Brazilians always have in view for their country, to promote its progress by repeated efforts and to preserve the good name of Brazil.

Trade Relations between United States and Brazil

AND

BRAZILIAN RESOURCES

"Order and Progress" has been the motto of the Brazilians since the proclamation of the Republic, and with this thought always in mind, they have been steadily working towards their goal, with the vision of some day standing in the front rank among the great countries of the world. In these popular sentiments they are virtually united, knowing the vastness of their country and resources that show such possibilities of power. Since 1889 my countrymen have made great progress. They have gained more knowledge of civilization in every respect, increased their intellectual qualities by art, science, commerce and industrial expansion, by hard labor and love for the individual. Their capability must be admitted, and the egotistical world must recognize the importance of this new aspiring nation. Such is Brazil today.

Brazil is a civilized country throughout its entire course. The moral and physical influences of its people are far different from idleness and other characteristics that depreciate a nation.

As an essentially agricultural and most fertile country, the factor of richness, with an everlasting spring that crowns its soil, the abundance of its harvests and its vast resources, have built up a new life for Brazil out of its virgin soil. It is true that much must be done, yet a great deal has already been accomplished under the new regime to reclaim the time lost during her isolation as a colony. The modern existence for Brazil will be in time reckoned in the annals of the progressive nations with unequalled parallel as a country

of unlimited strength, commercially, industrially and politically.

Brazil, the largest fertile division of the new world, having an area of 3,218,130 square miles (one fifteenth of the entire universe) or more obviously the country that occupies almost one half of the entire South American continent has since 1808, when she opened her ports for free trade, doubled the progress and growth of her commerce, and more fortunate is it to say that the homogeneous character that has formed the general history of Brazil has caused a most advanced and liberal order for commercial relations with the trading world.

Her physical resources (guided by European capital and American progress) and the characteristics of her people are advancing Brazil to the forefront among the great nations of the world. Everything has been done and adopted to increase her commerce and improve her industries. Brazil has only developed her resources in late years and is to be considered as a new industrial country today, having only a population of about 25,000,000. With her large fertile soil and exuberant riches she will in time be placed among the first of the industrial countries in the world.

The resources of Brazil deserve careful study by the financial and commercial world, especially by the trading nations in the mercantile pursuits. The United States should enlarge her interests by increasing her commerce there in order to be rated as a leading competitor with Great Britain and Germany who have established for years commercial houses and banking systems in all the principal ports and trading centers in all the states of Brazil.

RESOURCES OF BRAZIL.

VEGETABLES	
Coffee	$120,000,000
Rubber	107,000,000
Cotton	51,000,000
Cocoa	12,000,000
Tobacco	10,000,000
Mate	11,438,000
Sugar	20,000,000
Carnauba	2,000,000
Brazil nuts	1,521,272
Mandioca	450,000
Fruits	390,000
Piasava	200,000
Woods	175,000
Caster Beans	165,000
Ipecacuana	106,000
Medicinal plants	37,900
Copaiba	11,600
	$336,494,722
MINERALS	
Gold	$5,000,000
Diamonds	4,500,000
Other stones	658,000
Manganese	2,200,000
Monazite	955,000
Copper	247,000
	$13,560,000
ANIMAL	
Cattle and products	$42,500,000
Hog products	4,120,000
Goat skins	4,000,000
Sheep skins	180,000
Deer skins	55,000
Feathers	50,000
	$50,905,000
GRAND TOTAL	$400,959,722

(The above information has been derived from official statistics and still increasing.)

There is a great deal that Brazil can utilize in manufactured goods, yet much raw material from this vast vegetable country is exported to the United States annually. This is proven by the balance of trade in favor of Brazilian exports against the imports from the United States.

The exchange of trade with the United States for the year 1909 were as follows:

Imports from Brazil	$117,062,725
Exports to Braxil	19,765,836

The total revenue for Brazil's exports and imports in 1909, is as follows:

Imports	$180,604,000
Exports	310,261,000
	$490,865,000
The foreign commerce for 1911 amounted to	599,095,400
Imports	264,453,800
Exports	333,641,600

During the decimal period of 1876 to 1905 Brazil increased her importation 175%, and her exports 272%.

There has been a steady increase in the Brazilian revenue lately. Based upon late reports Brazil's total commerce should reach approximately one billion dollars in the very near future.

This increase in the wealth of Brazil year by year reflects very favorably on those to whom the government has entrusted its financial policy. The commerce of Brazil cannot help being very progressive.

As above shown the United States is the best customer for Brazilian products, taking over 30% of her whole exports and sending little in exchange.

The principal products which the United States receive from Brazil are raw materials, such as coffee, rubber, cocoa, nuts and sugar, being the greatest necessities for the home consumer. On the other hand it is demonstrated that the products in demand in Brazil which the United States could supply, are chiefly manufactured goods that are now placed in Brazilian markets by other countries that are commercial rivals of the United States. In order to get this trade United States manufacturers must find a way to remedy

the system of valuation for their goods exported to that country and give credit as the Europeans do, establishing new prices for goods of prime necessity. The assistance of treaties and better banking facilities would be the best means of establishing staple business relations with Brazilian markets.

The total trade of the twenty republics lying south of the United States in 1910 amounted to $2,100,000,000. Brazil has done one fourth of this business and the future outlook is promising. The commerce exchange with the Latin-American countries and the United States for 1910 amounted to $630,692,378. The exports to the United States amounted to $391,440,510. The value of Brazil's exports to this country was one-third of that amount. The imports taken from the United States to those countries amounted to $239,251,867—less than one-eighth of that amount was taken by Braxil.

Importation from the principal foreign countries in trade with Brazil showing increase and decrease within five years:

VALUE IN MIL REIS, (PAPER MONEY)

COUNTRIES	1902	1907
United States	25,348,824$	45,979,678$
England	58,247,208	108,045,423
Germany	23,670,020	55,247,201
France	18,174,378	31,109,866
Argentine	18,524,445	32,272,965
Austria	3,818,715	6,028,942
Belgium	4,916,675	14,306,604
Italy	7,581,206	12,753,969
Portugal	14,337,673	20,937,150
English Possessions	12,866,783	8,406,825
Uruguay	10,936,554	10,017,304
Other Countries	8,505,679	15,112,436
TOTAL	206,928,160$	360,245,363$

As shown by the figures of importation, England always occupies the first place with a high increase. The principal products exported by England are: manufactured cotton goods, hardware, machines and supplies, agricultural implements, manufactured linen, manufactured iron and steel, and coal.

Next Germany (formerly occupying the fifth place in the 60's but now in the second, leaving France to her old stand) proves her great importance in the future trade with Brazil. Her chief products of import to Brazil are: manufactured cotton, chemical goods, cement, prepared skins and hides, paper goods, manufactured iron and steel, dry goods, porcelain and food-stuffs.

The United States occupies the third place in the importation of 1907, but the imported manufactured merchandise is little when compared with the raw products. The value of kerosene and flour, imported into Brazil represents almost 35 per cent of the total exports from the United States to Brazil, leaving the remainder to be divided between wood, tar, agricultural machines and implements, and a very small amount of diversified manufactured goods and special merchandise.

The principal imported goods that go into the Brazilian market are all kinds of manufactured cotton goods, dry goods, manufactured iron and steel, machines of all kinds, agricultural implements, shoes, leather, pottery, chemical products, flour, wines, paper, canned and dried foods, kerosene, and coal.

BRAZILIAN EXPORTS TO OTHER COUNTRIES IN 1906

Value in mil reis, (paper money)

COUNTRIES	
United States	280,587,579$
Germany	141,359,681
England	127,815,598
France	98,740,018
Austria	27,427,272
Argentine	29,005,298
Holland	27,880,777
Belgium	16,645,867
Uruguay	12,566,382
Italy	7,653,196
Portugal	4,705,323
English possessions	4,598,550
Spain	3,102,742
French possessions	4,598,550
Asia Minor	1,956,350

Russia	2,103,159$
European Turkey	2,461,453
Sweden and Norway	1,519,343
Chili	1,380,393
Denmark	1,690,149
Egypt	1,690,149
Paraguay	42,278
Peru	236,164
Portuguese possessions	73,119
Other countries	3,082,585
GRAND TOTAL	799,670,295$

Equivalent to £53,059,480.

By far the largest proportion of these exports are vegetable products, such as coffee, cocoa, rubber, sugar, mate, and medicinal plants.

Brazil is not a manufacturing country, but with the rapid increase in population the amount of necessities for home consumption is creating an active demand for all that can be manufactured from the natural resources of the country. The use of the unlimited water power is making the home manufacturing growth irresistible.

There are manufacturing plants in all the states. The government has granted privileges to promote inventions and methods of introduction of new industries, and in instances giving rewards to the most progressive and well established corporations. There are many important manufacturers in Rio Janeiro who are employing a large number of working men and many of their products have been awarded first prizes in all the International Expositions. The best manufactured products that are produced from Brazilian raw materials are: cotton cloth, woolen cloth, silk, rope, hats and shoes, furnishings, jewelry, glass ware, musical instruments, agricultural implements, ceramics, iron and copper works, paper, alimentary foods, leather goods, etc. There are 139 cotton mills employing about 48,106 working people.

The principal manufacturing states are: Rio Janeiro, with 592 establishments; Sao Paulo, with 342; Minas Geraes, with 568; Rio Grande do Sul, with 342; Pernambuco, with 109; Bahia, with 245 and Santa Chatharina with 101.

FACTORY STATISTICS OF BRAZIL

Establishments	3,685
Workingmen	195,101
Capital	$285,165,628
Value of production	$301,101,998

It is particularly noticeable that in recent years Brazil has become the principal manufacturing country of Latin-America.

A part of this increase in trade is due to the presence of the foreign element in Brazil. The immigration statistics of the number of immigrants arriving in Brazilian ports in 1911 are as follows:

NATIONALITIES	
Portuguese	46,754
Spaniards	27,007
Italians	22,821
Polanders	10,135
Turks and Arabs	6,233
Germans	4,233
Russians	3,763
Austrians	3,156
French	1,340
Hungarians	780
Argentines	607
North Americans	250
Greeks	250
Dutch	247
Swiss	229
Other Nations	3,761
	133,616

All products bought from Brazilian markets are always paid for before they are shipped. Only upon credit furnished by European banks can these transactions be secured without cash. No foreigner can buy in any other way.

The greater part of the commerce with Brazil is involved with navigation in her coast line of 4,200 miles and 55,000 miles of navigable rivers and their ports. Navigation is certainly the most used way for the transportation of exports and imports. About all the Brazilian states can be considered maritime. This is the cause of the great

inter-state and coasting trade that has given Brazil the most beneficial and prosperous way of advancing her commerce with other countries. There are forty-eight ports in the Brazilian coast. Brazil has the best of shipping facilities caused by her natural sheltered harbors and up-to-date port improvements. The course of the most of her rivers in the north, such as the great Amazonas, is navigable for 3,380 miles or more than the distance across the North American continent. The Amazon and its tributaries are freely navigable as far as the Andes. Navigation for this reason has been so increased that a striking lesson is given by the fact that Brazil's merchant marine has today about 612 steam vessels of 415,000 tons and 565 sailing crafts with 365,000 tons.

The Brazilian Lloyd, a subsidized national line in operation with extended service along the coast of Brazil, reaching as far as New York in one direction for exports to this country, and to Paraguay, Uruguay, Argentine and Chili in the other, is the best proof of her maritime advancement in commercial relations with foreign countries. The freights outbound to Brazil from New York in these steamers are at the rate of $4.75 per ton and rates on shipments from Brazil average about $5.25 per ton. The former rate is caused by the greater volume of Brazilian exports to this country.

The maritime movement with trade between United States and Brazil is six times greater in value from Brazil than from the United States to Brazil.

There is great competition in rates of freights in shipping from New York outbound to Brazil between Brazilian, German and English steamship companies. This competition in low rates should certainly enable any exporters from the United States to increase business now existing between the two countries.

The maritime movement in the port of Rio Janeiro alone for the year 1836 shows the arrival in that port of 102 American vessels. In the latest maritime report for 1911, only 5 sailing vessels carrying less than 5,000 tons of cargo arrived in all Brazilian ports.

If mercantile steamship service could be increased between this country and South America for carrying freight and merchandise directly from the manufacturers of America, having her agents actively interested in increasing the trade

of their country, the United States would again enjoy the reputation they did in former days when vessels carrying the stars and stripes used to leave her ports to offer her products and manufactured goods to new trading countries.

Navigation in connection with trade with Brazil is the most practical way of transportation. The movement in Brazilian ports since 1900 has increased greatly every year as shown by the following table:

1906.....	35,534	28,919,094
1907.....	38,770	33,419,227
1910.....	44,666	42,799,215

The number of National and Foreign merchant vessels that arrived in Brazilian ports in 1910 are as follows:

Brazilians.....	33,656
English.....	4,820
German.....	2,040
Argentine.....	1,128
French.....	804
Italian.....	724
Other Nations.....	1,488
	44,666

The ports of Brazil having the most maritime movement are Rio Janeiro, Santos, Bahia, Pernambuco, Para, Manaos, which are the chief centres of coffee, cocoa and rubber exports.

Brazilian states in spite of being sparsely populated, with conditions that are sufficient proof of the most wonderful progress in the last fifteen years. The southern states of Brazil, because of an intermingling of races (from Europe predominating) to the great advantage for that vast country, will show greater importance in the future.

Brazil borders on all South American countries except Chili and Ecuador, within the Tropical, Semi-tropical and Temperate Zones.

STATISTICS OF POPULATION BY STATES

STATE	CAPITAL	AREA Sq. Miles	1906 Population
Amazonas	Manaos	1,138,212	240,000
Para	Belem	686,829	652,400
Maranhao	S. Luiz	275,931	660,000
Piauhy	Theresina	181,078	425,000
Ceara	Fortaleza	62,550	1,000,000
Rio Grande do Norte	Natal	34,491	407,200
Parahyba do Norte	Parahyba	44,838	596,000
Pernambuco	Recife	77,037	2,089,500
Alagoas	Maceio	35,000	781,600
Sergipe	Aracaju	23,450	450,000
Bahia	Salvador	255,855	2,335,000
Espirito	Victoria	26,901	201,600
Rio de Janeiro	Nictheroy	491,736	1,300,000
S. Paulo	S. Paulo	174,585	2,580,000
Parana	Curitiba	132,792	360,000
Santa Chatharina	Florianopolis	44,493	405,800
Rio Grande do Sul	Porto Alegre	148,933	1,350,000
Minas Geraes	Bello Horizonte	344,913	4,277,400
Goyaz	Goyaz	448,431	340,000
Matto Grosso	Cuyaba	897,871	157,000
Districto Federal	Rio de Janeiro	669	811,400
Territorio do Acre		114,600	41,200
TOTAL		3,218,130	21,461,100

The Federal Brazilian Union comprising twenty states and one territory as listed above, have the same organic and autonomic legislative and municipal government as that of the United States.

The commercial relations between the United States and Brazil have always been very friendly and this is particularly noticeable by the agreement in their laws and tariffs. Probably it will always be difficult for Americans to establish bank facilities in Brazil as long as their exports remain small, but banks and manufacturing agencies are necessary in order to open up channels of commerce with that country and thus give America an outlet for her great manufactured products.

The Brazilian government has done all that is possible to invite American merchants by enacting such tariff laws as will permit American made goods to enter the country in some instances free of duty, and in others give the United States goods a 20% preferential duty over that accorded to other nations, so that they might be able to take this advantage of securing an attractive market in Brazil.

The demand for manufactured goods in Brazil is exceedingly great, but in order to compete with other nations this trade must be studied with regard to the climate and tastes of the people and the kinds of goods now marketed there.

Persons who engage in trade with Brazil, find that their rights are always respected and protected by laws, and as long as they observe the rules and the morals of the country, they will enjoy the same civil rights as Brazilians do.

There is never oppression for religious motives or nationality. Good faith and credit for those who deserve it are the only requirements to be complied with in that country. The only necessary precaution required for merchants or foreign agents traveling to Brazil is that they must have passports registered from their consulates with the special licenses, so that if any suit occurs to enforce payment of a debt, its collection would be possible by process of law, which would not be the case if no registration had occurred. There are rebates of 25% for commercial travelers, and expressage privileges on some of the Brazilian roads. It is a great mistake for any foreigner visiting Brazil on business to underestimate the people's knowledge of business or count Brazilians as an inferior race. They are always hospitable and polite in all the particulars of international life and trade. Monopolies are looked upon with great disfavor by the general public and are not tolerated in Brazil.

The foreign commercial houses in Brazil are principally Portuguese, English, German and Italian. That is to say, the large trading houses in imports and exports in Brazil are the ones which carry on all the trade from the United States and from Brazil to foreign countries. Their favorable terms are accounted for because of capital invested in Brazil and a banking system that facilitates business anywhere in the country. England's investments have reached almost a billion and a half dollars. Her phenomenal financial

strength in Brazil is in great measure due to the capital invested in banks, railroads, mines, electric lights, gas works and many other enterprises that are financed with English capital. This superiority must be followed by the American merchants and financiers if they wish to succeed there. Germany and France together have invested about the same amount that England has.

MERCHANDISE IMPORTED BY THE STATES OF BRAZIL IN 1906

Value in mil reis, (paper money)

Rio de Janeiro	203,411,222$
Sao Paulo	96,389,384
Para	40,464,045
Pernambuco	37,178,045
Bahia	29,539,970
Rio Grande do Sul	35,655,322
Amazonas	18,823,639
Ceara	7,384,109
Maranhao	7,325,557
Parana	5,931,541
Santa Chatharina	4,787,955
Alagoas	4,201,818
Matto Grosso	2,552,467
Spirito Santo	1,033,985
Parahyba	2,434,342
Piauhy	907,336
Rio Grande do Norte	761,688
Sergipe	540,555
	499,286,976$

Equivalent to £33,204,041.

The foreign capital brought into Brazil between 1909 and 1911 amounted to $103,700,000—an increase of 103% over the amount of capital which came in during 1909. The amount brought to Brazil in 1909 was 464% increase over that of any previous year. The United States invested $70,000,000; this is significant of the interest that her bankers are now beginning to take in financing trade and enterprise there.

Financial obligations with importers and exporters in the Brazilian market are mostly settled in gold. Drafts are satisfactorily received in this operation of exchange. This obviates any difficulty that might arise on account of the depreciation of the paper currency and notes of the past.

Because of the fact that the exports exceed the imports, the influx of gold into Brazil today puts its buying power in a sound condition. There is no low rate of exchange caused by the excessive issue of paper money. This situation was overcome by the government in 1907 through the wise policy of establishing a basis for exchange by depositing gold in the Convertion Bank formed to regulate the country's finances and all of the paper money in circulation was taken in and destroyed, but later replaced by new silver. The rate of exchange falls only when exports for any year are unsatisfactory as when the coffee or rubber crops in the consuming markets meets with low prices, or if the exports have been less than usual. The actual fixed rate redeemed from paper money to the mil reis is 33 cents U. S. Currency sustained by the gold deposits amounting to $75,000,000.

The deposit of gold in the Convertion Bank in 1911 amounted to $14,143,233. The percentage of withdrawals from 1911 was 39.79%. The total issue for 1911 was $46,994,300, and adding this amount to the previous issues gives the total of $179,355,500. Much was brought in for redemption in gold or replacing of torn notes, leaving the circulation for the last of 1911 to the amount of $126,161,000. Since the foundation of this great economical financial institution there has been received $153,971,141. Disbursements for expense of public construction and replacement of torn notes, amounted to $37,341,813, or 24.25% of the grand total in deposits.

The principal products of Brazil have dominated the world's market and there is no disorganized economic life in the country that would harm the financial position of Brazil today. All the foreign debts are liquidated at sight, for Brazilians are anxious for the future of their country and do not wish any instability in their finances. The reason for the exchange rate is to bring the free circulation of gold in the country at "par," originally 54 cents in U. S. Currency. This will soon be accomplished. There are no panics. Under this condition Brazil grows richer every day.

The principal foreign banks in Brazil that are in operation with branches in different states are: London and River Plate, $10,000,000; London & Brazilian Bank, $10,000,000; British Bank of South America, $6,000,000; Brasilianische Bank fur Deutschland, $5,000,000; Banco Commercialo Italo Brasiliano, $1,500,000.

It is interesting to note that in magnitude of the world's trade the growth of a nation is caused by her commercial relations with foreign countries. In the old days trade was carried on in voyages of discovery and settlements were established in the new world and investments started to promote the internal economy, bettering the commercial development and creating a world wide commerce. In these features it is interesting to see how prominent England's plans for expansion extend in Brazil where she is the chief importer. Her ancient "quasi colonial" trade relations with Brazil still exist today, and it is this policy which makes her the dominant economic factor of the business life in Brazil. The method of English investments there influences the regulation of her commerce. This example of internationalism for international trade relations is what Americans don't know. Americans must learn these relations speedily, especially with a friendly nation as Brazil with such a traditional record of good will.

There are few countries that show such a splendid field for commerce and investments in new industries as Brazil. It would be wise for anyone wishing to carry on an extensive trade with Brazil to visit that country and study the customs and the language, particularly investigating the tariff protection and coast trading. Any corporation with business experience and extended credit could vastly improve their trade and would find no laws or private restrictions to restrain them from enterprise. Food laws are very effective against any products that are injurious to the public health and importers are fined when found having the recognized adulterated products for sale.

There is a great field for investment in new enterprises such as the cotton industries, foundries, car builders, steam laundries, furniture, pianos, manufactures of rubber goods, chemicals, paper, cement, paints and varnishes, hats, shoes, leather, lace, silks, dry-goods, cigars, food stuffs, and preserves. All these industries are protected by tariff and can

be easily and cheaply manufactured with the aid of water for supplying electric power which is found in every state.

The foreign business men in Brazil handle the import and export affairs of the country. They are mostly Portuguese, English, German and Italians. They conduct the principal importing and exporting houses. It is interesting to note that the Portuguese, once the owners of Brazil, are not like the other foreigners as they were the first settlers, their arrival dating from Colonial times. For this reason they predominate in business and have a great advantage over other merchants on account of knowing the language and being the first dealers in Brazilian markets. Their influence in matters of trade is of great importance. There are many Portuguese firms in Brazil who import a great deal of merchandise from the United States, though for the most part through the commission houses in New York. They are impartial in commercial matters and unlike the German or the English traders whose patriotic spirit influences them in giving trade to their home manufacturers. The Portuguese are liberal and honorable in every respect and for this reason enjoy the best of credit in the business world. These characteristics are of great significance with the natives.

The Brazilian government is doing everything possible to populate its large area of virgin soil where colonization can find suitable places for agriculture and where cultivation will be advantageous. This provision together with the railway system will certainly help greatly to open up the country, giving opportunity for development of all its resources which will better the commercial facilities of the rich states in the interior. There are about fifty colonial centres in different states, and many more will be established shortly.

The aid for railway construction has taken many forms such as subsidies, land grants and guaranty with many valuable privileges for new concessions. The total of railway mileage reported for this year is much greater than last year. There are about 15,000 miles in operation with as much surveyed and projected for later construction. The total revenue from railways in 1911 amounted to $10,732,400 with an increase of $733,000 over 1910.

The number of travelers in 1908 was 20,100,000, but

this figure has been more than doubled by the latest traffic statistics. These figures afford an interesting illustration of the railway development through the states of Brazil. With the exception of a few government roads all the others are mostly operated by English companies. Americans have only recently begun to invest capital in these syndicates. All the materials for the building of these roads are allowed to enter free of duty. All the rolling stock, rails and general equipments are imported from other countries where the supplies can be obtained cheaper. The installing of electrical train system for the suburbs of great cities is now under construction and soon will be in operation in the cities of Rio Janeiro and San Paulo. There were only 5,358 miles in operation in the year 1889 and the length of new roads was increased to 11,432 miles in 1908. Nearly 4,000 miles has been added since, and the plans of the constructors contemplate a system which will in time reach all the interior of Brazil and the countries of South America, such as Uruguay, Argentina, Paraguay, Chili and Bolivia.

There are few countries as rich in mineral resources as Brazil. They are still undeveloped, waiting for capital to improve the primitive methods of mining. The modern mining system put in operation would prove very lucrative. The foreign countries that have established improved mining methods in Brazil have met with great success in all mineral extractions. There is scarcely any state where gold is not found, but the largest deposits are in Minas Geraes, Bahia, Parana, Sao Paulo, Matto Grosso and Goyaz. Water power can always be found, and with any amount of labor at hand an extensive plant can easily be built. The value of the gold mined in the state of Minas Geraes amounts sometimes to two million dollars per month. Mining by means of dredgers and a hydraulic system has an inexhaustible field for its appliance. The gold exported in the year 1906 amounted to 9,045 pounds.

Diamond mining is the next most lucrative industry, and many companies have been founded lately to explore the sand banks and the diamantiferous basins in Brazil. There are many English mining companies with properties amounting to about $50,000,000 besides a small number of other foreign companies. They all find just laws for the protection of miners and a guarantee for their claims. Stones

have been found as large as 254 karats. Brazilian diamonds are of the best color and the export value of these precious stones amounted to over a million dollars for the year 1906. It is hard to mention here the geological importance and distinct mineral character of Brazil, but the metallic percentage in many of her minerals is the highest. Among the minerals found there are diamonds, rubies, sapphires, amethysts, tourmalines, topaz, onyx and many other stones of great commercial value. Gold, silver, nickel, copper, tin, iron and manganese are found in great quantities and of the purest quality, and monazatic sands are exported by thousands of tons every year from Brazil.

Coal is found in large quantities in Brazil but the quality is not equal to that of the Pennsylvania or Cardiff deposits and consequently the industry has not yet been developed to any extent.

Brazil is one of the best adapted countries for breeding all kinds of live stock, such as horses, cattle and sheep. The stock raising industry in Brazil will advance contemporaneously with the construction of railroads through the interior. With this improvement, the industry will in time be a constant source of increase to the nation's wealth. This industry has already been very remunerative in providing for home consumption. The problem of the large production of meat for the world's consumption is at present occupying the attention of the markets of all countries. Brazil is losing a great deal of this industrial increase by sheer neglect. While having a dominating geographical positiom with a cattle-raising country extending through all the north coasting states, live cattle could therefore be easily exported to Europe. It is one-third less distance than from Argentina and considerably nearer to the North American markets. It would be wise for the government of Brazil to foster these opportunities with the same interest that they do agricultural improvements. The steady increase in the dressed meat trade for home consumption has caused a sharp competition between the great cattle raising states. Rio Grande do Sul and Matto Grosso with a capital of $3,000,000 and 5,000 hands had given an annual production of $12,000,000. Most of this production is the preparation of salted dried beef, consumed all over the country. The

exporting of live cattle, diary products and hides from the state of Minas Geraes amounts annually to $18,000,000.

It can be easily estimated that there are probably 300,000,000 acres of pastoral grounds in Brazil and the development of this industry offers a splendid field to enrich any one with less expense than that of any other industry. On account of the perpetual spring weather and the fine fertile soil of this semi-tropical region, the grazing lands maintain all the animals the year round without shelter. The rainy seasons refresh the soil and increase the forage supply so that large herds of cattle can be maintained at a minimum cost. Including both domestic and wild cattle there are approximately 15,000,000 head in Brazil. The total valuation for all the exports of animal products for the year 1908 amounted to $51,361,703.

The natural fertile vegetation shows the great richness of the soil which makes Brazil one of the leading agricultural countries in the world. The cultivated zones are divided into seven divisions of quite varied agricultural resources. Brazil produces more coffee, rubber and cocoa than any other country in the world.

Brazilians prefer farming and the life of the planter to all others. The increase in the number of persons engaged with agriculture in the last ten years is 31¼% more than in the ten years previous. Only in the state of Sao Paulo does the immigrant labor predominate in large percentage. "Coffee" is the chief agricultural industry and constitutes the principal source of the national wealth. The consumption of coffee all over the world is dependent upon Brazil's coffee production. This product is found growing principally in the states of Sao Paulo and Minas Geraes. The coffee exports in 1906-'07 amounted to 20,190,000 bags, thus forming a record for all the previous coffee crops.

RUBBER is found in its natural state in the large Amazonian division, making Brazil the leading rubber producing country. The consuming markets have advanced the price of this great Brazilian product as high as $2.43 per pound for best quality, and the amount of this grade produced there is more than equal to all the inferior grades that are gathered in other parts of the world. The exportation of rubber in 1911 amounted to 45,000 tons.

COCOA also cultivated in the Amazonian region is found

growing in many suitable parts of other states, such as Para, Bahia and Spirito Santo. The cultivation of cocoa has increased in about the same ratio as that of coffee. 75,536,043 pounds were exported in 1911.

TOBACCO is a natural habitant in the plant life of Brazil and has now become a very lucrative product, principally in the northeast part of Brazil where it is considered to be as good as that exported from Havana. Bahia is the chief centre of this great industry and the tobacco manufactured there is used all through the country with great demand in Europe. Most of the tobacco products are consumed at home, the tobacco trade amounting to very little, although the culture is increasing every year. In 1909 only about 85,125,000 pounds were exported to Europe.

SUGAR. The important agricultural product—sugar—is extracted in Brazil as the vital home industry, and very little is exported. The sugar cane, mostly cultivated in the states of Pernambuco and Sao Paulo, must increase greatly in the future. The export of sugar is dependent only upon the cost of labor and the installation of up-to-date mechanical methods to refine it, such as are used in the United States, and as soon as these are put in operation, this industry will give very large returns upon any capital invested. Like tobacco, exports of sugar total very little. The exportation in 1911 amounted to 92,346,101 pounds.

MATE is one of the newest extractive agricultural industries of Brazil, and is mostly exported to the countries south of Brazil where it is used in place of tea. It is also used in Europe in great quantities and is enjoyed today by nearly twenty-five million people. This new drink is a perfect vegetable element,—a very mild stimulant and as agreeable a beverage as one could wish. The exportation is increasing every year, and amounted to nearly 200,000,000 pounds in 1911. This product is found in the southeastern states of Brazil, principally in Parana and Santa Chatherina.

COTTON is a growing industry in Brazil, but all that is raised is needed to supply the home demand of the manufacturers of cotton goods. On account of the small crop there is little for exportation, Only 32,305,602 pounds of cotton were exported in 1911.

The exuberant vegetation shows that the tree life of the country, as well as the vegetable kingdom is the source of

much wealth. There are more than 20,000 species of plants in Brazil in addition to the rich variety of cabinet woods, such as ebony, rosewood and mahogany that are exported to foreign countries. High freight rates are responsible for the comparatively small amount of this timber exported. Brazil is known by the botanists as one of the richest countries in Flora. It will be impossible to describe in one short paragraph the 2,000 species of woods that are found there, nor can one have any approximate idea of the Flora unless he lives in the country. There are a great number of dye woods, medicinal plants of great commercial value, many nutritious nuts, palms and roots, together with many fruits of a saccharine substance that are used for preserves, and plants of a starchy substance that are used for cereals. The exports of all these products in 1910 amounted to $33,057,077.

Brazil is beginning an important commercial and industrial period similar to that which the United States passed through at the close of the Civil War. This new era is not caused by any war or struggles. This period is simply the result of progressive ideas in a country where capital is flowing in, enabling Brazil to achieve its true position in trade and industry. The increase of population and the rich soil is making Brazil the greatest of the South American Republics. With close international intercourse in trade, finance, and immigration there has grown up on these millions of square miles of territory, larger in extent than the United States, a nation which is the most powerful influence in South America.

With her tremendous agricultural area capable of supporting 500 millions of inhabitants, with a population which has an admixture of foreign elements like the United States, with her great mineral wealth, no prophecy is needed as to the final outcome of her battle with the wilderness, for Brazil is a country essentially continental yet endowed with the energy and progressive spirit of the new world. Her population will double within a very few years and so will her activities, for she has maintained her freedom.

The people that are making Brazil a nation of potential importance are far from being aboriginal, nor have they any stagnant inheritance. Once and for all they are descended from brave, intelligent and patriotic citizens with no indolent characteristics.

ALVARO GIL DE ALMEIDA.

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